

**CHRISTIAN SERVICE CENTER
FOR CENTRAL FLORIDA, INC.**

**FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITORS' REPORT**

December 31, 2021 and 2020



Greene, Dycus & Co, PA

Certified Public Accountants

407-322-0561

www.gdccpa.net

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Christian Service Center for Central Florida, Inc.
Orlando, Florida

Opinion

We have audited the accompanying financial statements of Christian Service Center for Central Florida, Inc., (the "Center"), a nonprofit corporation, which comprise the statements of financial position as of December 31, 2021 and 2020 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Christian Service Center for Central Florida, Inc., and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Christian Service Center for Central Florida, Inc., and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Christian Service Center for Central Florida, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Robert Kimelman, CPA
Thomas J. Frank, CPA
Vanessa R. Talley, CPA

Auditors' Responsibility for the Audit of the Financial

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Christian Service Center for Central Florida, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Christian Service Center for Central Florida, Inc's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Greene Dupuis & Co.

Professional Association
Certified Public Accountants
Sanford, Florida
May 27, 2022

CHRISTIAN SERVICE CENTER FOR CENTRAL FLORIDA, INC.
STATEMENTS OF FINANCIAL POSITION
December 31,

ASSETS

Current Assets	<u>2021</u>	<u>2020</u>
Cash - unrestricted	\$ 637,656	\$ 407,851
Cash - restricted	203,815	382,077
Cash - designated	126,139	-
	<u>967,610</u>	<u>789,928</u>
Contributions receivable	173,319	23,720
Prepaid expenses	3,400	3,900
	<u>\$ 1,144,329</u>	<u>\$ 817,548</u>
 Property and Equipment - Net	 <u>1,226,899</u>	 <u>1,246,296</u>
 Noncurrent Assets:		
Beneficial Interest	47,327	41,360
Other	355	355
	<u>47,682</u>	<u>41,715</u>
 Total Assets	 <u><u>\$ 2,418,910</u></u>	 <u><u>\$ 2,105,559</u></u>

The accompanying notes are an integral part of these financial statements.

CHRISTIAN SERVICE CENTER FOR CENTRAL FLORIDA, INC.
STATEMENTS OF FINANCIAL POSITION
December 31,

LIABILITIES AND NET ASSETS

	<u>2021</u>	<u>2020</u>
Current Liabilities		
Accounts payable and accrued expenses	\$ 23,036	\$ 19,251
Accrued expenses	19,495	13,127
Current portion mortgage note payable	<u>8,183</u>	<u>8,410</u>
Total Current Liabilities	<u>50,714</u>	<u>40,788</u>
Long-term debt, mortgage note payable	<u>199,711</u>	<u>207,667</u>
Total Liabilities	250,425	248,455
Net Assets		
Without donor restrictions	1,964,670	1,475,027
With donor restrictions	<u>203,815</u>	<u>382,077</u>
Total Net Assets	<u>2,168,485</u>	<u>1,857,104</u>
Total Liabilities and Net Assets	<u>\$ 2,418,910</u>	<u>\$ 2,105,559</u>

The accompanying notes are an integral part of these financial statements.

CHRISTIAN SERVICE CENTER FOR CENTRAL FLORIDA, INC.
STATEMENT OF ACTIVITIES AND
CHANGES IN NET ASSETS
For the Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Contributions	\$ 654,516	\$ 27,250	\$ 681,766
Special events, less costs of \$16,228	50,621	-	50,621
Contributions, foundations and trusts	1,012,651	-	1,012,651
Parking use and tenancy revenue	33,440	-	33,440
Thrift shops	73,479	-	73,479
Other income	7,724	-	7,724
Estimated in-kind contributions	378,015	-	378,015
Net assets released from restrictions	205,512	(205,512)	-
Total Revenue and Support	<u>2,415,958</u>	<u>(178,262)</u>	<u>2,237,696</u>
Expenses			
Program Services	<u>1,482,427</u>	<u>-</u>	<u>1,482,427</u>
Total Program Services	<u>1,482,427</u>	<u>-</u>	<u>1,482,427</u>
Support Services:			
Fund raising and development	209,551	-	209,551
Management and general	234,337	-	234,337
Total Support Services	<u>443,888</u>	<u>-</u>	<u>443,888</u>
Total Expenses	<u>1,926,315</u>	<u>-</u>	<u>1,926,315</u>
Change in Net Assets	489,643	(178,262)	311,381
Net Assets, Beginning of Year	<u>1,475,027</u>	<u>382,077</u>	<u>1,857,104</u>
Net Assets, End of Year	<u>\$ 1,964,670</u>	<u>\$ 203,815</u>	<u>\$ 2,168,485</u>

The accompanying notes are an integral part of these financial statements.

CHRISTIAN SERVICE CENTER FOR CENTRAL FLORIDA, INC.
STATEMENT OF ACTIVITIES AND
CHANGES IN NET ASSETS
For the Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Contributions	\$ 656,211	\$ 18,750	\$ 674,961
Special events, less event costs of \$10,437	30,288	-	30,288
Program income	235,114	-	235,114
Local Government grant income	82,480	-	82,480
Tenancy revenue	47,200	-	47,200
Thrift shops	53,962	-	53,962
Interest income	1,108	-	1,108
PPP forgiveness income	147,700	-	147,700
Other income	4,424	-	4,424
Estimated in-kind contributions	546,410	-	546,410
Net assets released from restrictions	424,893	(424,893)	-
Total Revenue and Support	2,229,790	(406,143)	1,823,647
Expenses			
Program Services	1,231,778	-	1,231,778
Total Program Services	1,231,778	-	1,231,778
Support Services:			
Fund raising and development	74,363	-	74,363
Management and general	449,552	-	449,552
Total Support Services	523,915	-	523,915
Total Expenses	1,755,693	-	1,755,693
Change in Net Assets	474,097	(406,143)	67,954
Net Assets, Beginning of Year	1,000,930	788,220	1,789,150
Net Assets, End of Year	<u>\$ 1,475,027</u>	<u>\$ 382,077</u>	<u>\$ 1,857,104</u>

The accompanying notes are an integral part of these financial statements.

CHRISTIAN SERVICE CENTER FOR CENTRAL FLORIDA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2021

	Program											Supporting		
	Orlando FES	Winter Park FES	W. Orange FES	Total FES	W. Orange Daily Bread	Orlando Daily Bread	Total Daily Bread	Love Pantry	Tenancy	Thrift Shop Boutique	Total Program Services	Develop- ment	Admin	Total
Personnel costs	\$ 228,405	\$ 55,005	\$ 106,846	\$ 390,256	\$ 63,476	\$ 124,535	\$ 188,011	\$ 55,007	\$ 953	\$ 50,927	\$ 685,154	\$ 139,069	\$ 136,361	\$ 960,583
Direct assistance	33,436	4,711	17,191	55,338	-	7,004	7,004	9,582	-	-	71,924	-	-	71,924
Program supplies	2,472	784	283	3,539	8,960	1,875	10,835	-	-	-	14,374	-	3,015	17,390
Estimated:														
In-kind meals	-	-	-	12,576	-	-	300,953	-	-	-	313,529	-	-	313,529
In-kind Other	-	-	-	23,236	-	-	-	20,250	-	-	43,486	-	-	43,486
Utilities	3,979	3,000	6,844	13,823	10,969	27,975	38,944	-	3,950	3,241	59,957	-	10,695	70,652
Telephone	4,295	1,923	1,711	7,929	1,465	1,521	2,986	804	329	1,064	13,111	1,690	2,786	17,588
Maintenance:														
Building	15,177	601	7,328	23,106	6,362	21,327	27,689	10	11,874	1,182	63,861	-	9,640	73,501
Equipment	8,289	313	1,664	10,265	5,028	5,034	10,062	262	1,748	2,601	24,939	4,241	4,428	33,609
Insurance	6,924	992	4,498	12,414	4,155	4,597	8,752	-	5,213	5,030	31,408	-	3,435	34,843
Office expense	10,355	2,663	5,832	18,850	1,321	2,485	3,806	2,084	5,619	1,456	31,815	38,586	8,939	79,340
Travel & veh. costs	2,146	1,126	1,309	4,580	7,313	10,090	17,403	867	-	1,183	24,033	31	1,486	25,550
Professional fees	1,268	287	497	2,053	545	625	1,170	508	8,711	765	13,206	5,020	32,332	50,559
Interest	2,700	650	1,263	4,614	750	1,472	2,223	650	11	602	8,100	1,644	1,612	11,356
Other	5,542	95	970	6,607	431	21,910	22,341	666	2,677	1,144	33,435	9,101	9,637	52,173
Depreciation	16,700	4,022	7,812	28,533	4,641	9,105	13,746	4,022	70	3,723	50,094	10,168	9,970	70,232
	<u>\$ 341,688</u>	<u>\$ 76,171</u>	<u>\$ 164,047</u>	<u>\$ 617,719</u>	<u>\$ 115,418</u>	<u>\$ 239,555</u>	<u>\$ 655,926</u>	<u>\$ 94,713</u>	<u>\$ 41,154</u>	<u>\$ 72,916</u>	<u>\$ 1,482,427</u>	<u>\$ 209,551</u>	<u>\$ 234,337</u>	<u>\$ 1,926,315</u>

The accompanying notes are an integral part of these financial statements.

CHRISTIAN SERVICE CENTER FOR CENTRAL FLORIDA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2020

	Program										Supporting			
	Orlando FES	Winter Park FES	W. Orange FES	Total FES	W. Orange Daily Bread	Orlando Daily Bread	Total Daily Bread	Love Pantry	Tenancy	Thrift Shop Boutique	Total Program Services	Develop- ment	Admin	Total
Personnel costs	\$ 129,729	\$ 31,770	\$ 82,026	\$ 243,525	\$ 18,711	\$ 56,585	\$ 75,296	\$ 24,010	\$ 6,718	\$ 27,369	\$ 376,918	\$ 53,334	\$ 335,919	\$ 766,172
Direct assistance	14,803	4,838	4,788	24,429	-	1,199	1,199	25,127	-	-	50,755	-	-	50,755
Program supplies	318	40	3,639	3,997	6,507	-	6,507	-	-	-	10,504	-	5,815	16,319
Estimated:														
In-kind meals	-	-	-	19,000	-	-	493,115	-	-	-	512,115	-	-	512,115
In-kind clothing	-	-	-	14,145	-	-	-	-	-	-	14,145	-	-	14,145
Utilities	8,540	3,000	7,508	19,047	9,666	16,021	25,687	-	-	8,539	53,274	-	6,781	60,055
Telephone	1,836	3,786	2,600	8,222	2,600	726	3,326	622	-	1,016	13,186	300	3,473	16,959
Maintenance:														
Building	13,896	1,157	5,128	20,181	8,019	10,593	18,612	-	6,468	1,573	46,834	-	9,136	55,970
Equipment	7,100	1,433	4,150	12,683	3,459	2,124	5,583	1,119	-	1,458	20,843	829	4,030	25,702
Insurance	7,038	1,053	5,790	13,881	5,469	5,669	11,138	-	-	6,419	31,438	-	5,362	36,800
Office expense	2,745	917	1,102	4,763	512	794	1,306	162	-	306	6,538	13,472	8,227	28,237
Travel & veh. costs	2,901	746	1,597	5,244	2,727	3,347	6,074	780	-	1,563	13,661	149	3,805	17,615
Professional fees	1,001	242	462	1,704	446	536	982	334	-	702	3,723	244	25,621	29,588
Interest	2,442	598	1,544	4,585	352	1,065	1,418	452	1,613	515	8,583	1,004	4,838	14,425
Other	-	94	185	279	4,432	27,810	32,242	1,459	-	12	33,991	905	16,662	51,558
Depreciation	10,037	2,458	6,346	18,841	1,448	4,378	5,826	1,858	6,628	2,118	35,270	4,126	19,882	59,278
	<u>\$ 202,386</u>	<u>\$ 52,131</u>	<u>\$ 126,865</u>	<u>\$ 414,527</u>	<u>\$ 64,347</u>	<u>\$ 130,848</u>	<u>\$ 688,310</u>	<u>\$ 55,923</u>	<u>\$ 21,427</u>	<u>\$ 51,591</u>	<u>\$ 1,231,778</u>	<u>\$ 74,363</u>	<u>\$ 449,552</u>	<u>\$ 1,755,693</u>

The accompanying notes are an integral part of these financial statements.

CHRISTIAN SERVICE CENTER FOR CENTRAL FLORIDA, INC.
STATEMENTS OF CASH FLOWS
December 31,

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities:		
Cash received from operating contributions, grants, and awards	\$ 1,597,196	\$ 1,924,005
Cash received from sales - thrift shop	33,440	53,962
Cash received from parking use and tenancy	73,479	47,200
Interest paid	(11,356)	(14,425)
Cash paid to employees for salaries and benefits	(960,583)	(766,172)
Cash paid to vendors and suppliers	<u>(516,475)</u>	<u>(391,586)</u>
Net cash provided by operating activities	<u>215,700</u>	<u>852,984</u>
Cash flows from investing activities:		
Construction and acquisition of capital items	<u>(29,835)</u>	<u>(60,243)</u>
Net cash used by investing activities	<u>(29,835)</u>	<u>(60,243)</u>
Cash flows from financing activities:		
(Repayment) Draw on line of credit	-	(48,110)
Mortgage note payments	<u>(8,183)</u>	<u>(7,773)</u>
Net cash provided by investing activities	<u>(8,183)</u>	<u>(55,883)</u>
Net increase in cash and cash equivalents	177,682	736,858
Cash and cash equivalents, beginning of year	<u>789,928</u>	<u>53,070</u>
Cash and cash equivalents, end of year	<u>\$ 967,610</u>	<u>\$ 789,928</u>
Reconciliation of net income to net cash provided by operating activities:		
Change in net assets	311,381	67,954
Adjustments to reconcile change in net assets to net cash from operating activities:		
In kind property contribution	(21,000)	(20,150)
Depreciation	70,232	59,278
Increase or decrease in operating assets and liabilities:		
Market value of beneficial interest	(5,967)	(4,660)
Grants, contributions and bequests receivables	(149,599)	752,590
Prepaid expenses	500	(500)
Accounts payable and accrued expenses	<u>10,153</u>	<u>(1,527)</u>
Net cash provided by operating activities	<u>\$ 215,700</u>	<u>\$ 852,984</u>

The accompanying notes are an integral part of these financial statements.

CHRISTIAN SERVICE CENTER FOR CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Christian Service Center for Central Florida, Inc. (the Center) was incorporated in 1971 as a nonprofit inter-denominational arm of area churches bringing together congregations and individuals offering services for those in need. The Center depends on contributions from individuals, businesses, churches and other local organizations.

Family & Emergency Services (F.E.S.) – Program provides immediate short-term crisis assistance to families and individuals facing an unexpected financial crisis. Emergency assistance may include access to rent and utilities assistance, food, and other services to prevent homelessness. This program also provides clothing and necessary household items to those in need through thrift shop operations.

Daily Bread – Provision of free hot and nourishing meals to the homeless and hungry. Meals are donated to the program and local groups donate their services.

Love Pantry – Provides hungry children and their struggling families with a free emergency food supply directly through participating local public schools. Schools are provided with a cabinet stocked and restocked by volunteers with multiples of common food and hygiene items and community resource information.

Thrift Shops – Members of the community donate used clothing and other household items to the Center. The Center operates several resale shops in Orlando and West Orange locations. The clothing items donated to the Center are either sold or distributed to members of the community who are in need.

Tenancy - the Center rents portions of its Orlando campus to other non-profits that service the same clientele. Some of these other nonprofits are charged a fee and others provide complementary services and their rent is provided in kind.

Financial Statement Presentation

The financial statements are presented in accordance with Financial Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities*.

The Center reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions result from revenues generated by receiving contributions that have no donor restrictions, providing program-related services, raising contributions, and performing administrative functions.

Net assets with donor restrictions result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires, that is until the stipulated time restriction ends, or the purpose of the restriction is accomplished, the net assets are restricted.

CHRISTIAN SERVICE CENTER FOR CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

**NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES –
Continued**

Basis of accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with the accounting and reporting practices promulgated by the American Institute of Certified Public Accountants (AICPA) for not-for-profit organizations.

Contributions and Support

Contributions and support received are recorded as net assets with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction.

Revenue and Revenue Recognition

The Center recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Currently, there are no conditional promises to give.

A portion of the Center's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position, as of December 31, 2021 and 2020 no such amounts are reported.

The Center has adopted Accounting Standards Update (ASU) No. 2018-08 *Not-for Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)* as management believes the standard improves the usefulness and understandability of the Center's financial reporting.

Analysis of various provisions of this standard resulted in no significant changes in the way the Center recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

Revenues derived from charges for services are recognized as the services are provided for the recipient.

**CHRISTIAN SERVICE CENTER FOR CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

**NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES –
Continued**

Cash

Cash for purposes of the statements of financial position and cash flows includes money market cash funds, if any.

Property and Equipment

Property and equipment in excess of \$1,500 is recorded at cost when purchased and at fair market value on the date of donation when donated. Depreciation is recognized using the straight-line method over estimated useful lives as follows:

Asset	Life
Building	30-40 years
Equipment and Furnishing	5-10 years
Vehicles	3-20 years
Building	31.5 years

Donated Services and Materials

A substantial amount of donated materials pass through the Center to charitable beneficiaries, and a substantial number of volunteers donate time for program and administrative assistance. No amounts have been reported in the financial statements for donated services since they do not meet the requirements for recognition in the financial statements.

The value of contributed food and meals provided to charitable beneficiaries, as well as clothing, provided through Family Emergency Services and Daily Bread Programs are recognized in the financial statements at their estimated fair value.

Family & Emergency Services programs distribute food and clothing and provides rent and utility assistance. Daily Bread provides prepared meals from food that is donated. Volunteers staff the daily food services in the Daily Bread programs.

Occasionally the Center will receive donated pre-owned property and equipment. These donations, if any, have been recorded by the Center as revenue and property and equipment. For the years ended December 31, 2021 and 2020, no such property and equipment was received as a donation. However, one of the Organization's tenants provided a leasehold improvement, which included modernizing the office and upgrading the restroom facilities to be compliant with the Americans with Disabilities Act. The amount of these improvements is recognized in the financial statements at their estimated value.

Advertising

Advertising costs are expensed as incurred. During the years ending December 31, 2021 and 2020 advertising charged to operations amounted to approximately \$1,300 and \$2,700.

CHRISTIAN SERVICE CENTER FOR CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

**NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES –
Continued**

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, personnel costs, based on estimates of time incurred for various activities, and occupancy, based on square footage used for each program activity, have been allocated among the programs, fund raising, and management and general categories.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Subsequent Events

Subsequent events have been evaluated through May 27, 2022, which is the date the financial statements were available to be issued.

Grants Receivable

Grants receivables consist of balances due for contractual services provided under contracts typically entered into with federal, state and local governments, but not paid as of the end of the accounting period. Management considers these balances to be fully collectible as such an allowance for uncollectible accounts related to these receivables is not necessary.

Accounts Receivable

Accounts receivables consist of balances due for services rendered, to both governmental and non-governmental agencies and individuals, but not collected as of the end of the accounting period. Management invoices for these services at the end of the service month. Based upon an analysis of both history and past due receivables, it is management's opinion that a \$0 allowance for uncollectible accounts is necessary.

Inventory

Inventories consist of workshop supplies and are stated at the lower of cost (first-in/first-out basis) or market.

Impairment

The Center periodically reviews its long-lived assets to be held and used in operations for impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable. An impairment loss is recognized when the estimated undiscounted future cash flows from the assets are less than the carrying value of the assets.

CHRISTIAN SERVICE CENTER FOR CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

**NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES –
Continued**

Income Taxes

The Center has been granted an exemption from income taxes under Internal Revenue Code, Section 501(c)(3), as a non-profit corporation.

The Center adopted the provisions of FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* (FASB ASC 740 – 10). Under this Interpretation, The Center is required to evaluate each of its tax positions to determine if they are more likely than not to be sustained if the taxing authority examines the retrospective position. A tax position includes an entity's status, including its status as a 501(c)(3), and the decision not to file a tax return. The Center has evaluated each of its tax positions and has determined that no provision or liability for income taxes is necessary.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis on the Statement of Functional Expenses. Accordingly, certain costs have been allocated, in accordance with grant provisions, among the programs and supporting services. The expenses that are allocated include compensation and benefits, which are allocated on the basis of estimates of time and effort, as well as depreciation and occupancy, which are allocated on methods such as square footage basis.

Fair Value of Financial Instruments

Accounting standards define fair value, establish a framework for measuring fair value, establish a fair value hierarchy based on the quality of inputs used to measure fair value, and require expanded disclosures about fair value measurements.

Accounting standards establish a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs when available. Observable inputs are those that market participants would use in pricing the asset or liability based on the best information available in the circumstances.

The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Each level is defined as follows:

Level 1 - Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the foundation has the ability to access.

Level 2 - Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

CHRISTIAN SERVICE CENTER FOR CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
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NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES – Continued

Fair Value of Financial Instruments - Continued

Level 3 - Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management. The respective carrying value of certain on-balance-sheet financial instruments approximate their fair values due to the short-term nature of these instruments. These financial instruments include receivables, accounts payable and other liabilities. The fair value of the lines of credit are estimated based on current rates that would be available for debt of similar terms which is not significantly different for its stated value.

NOTE 2 – PROPERTY AND EQUIPMENT

Property and equipment is comprised of the following:

	<u>2021</u>	<u>2020</u>
Land and improvements	\$ 442,248	\$ 442,248
Buildings	2,530,236	2,496,346
Equipment and Furnishings	144,271	126,742
Vehicles	12,130	12,130
	<u>3,128,885</u>	<u>3,077,466</u>
Less accumulated depreciation	1,901,986	1,831,170
	<u>\$ 1,226,899</u>	<u>\$ 1,246,296</u>

NOTE 3 – BENEFICIAL INTEREST

In an earlier year, the Center transferred funds to Central Florida Foundation, Inc. The transfer is irrevocable, however, Central Florida Foundation, Inc. (CFF) may make annual distributions of the income earned on the fund to the Center, subject to the foundation's spending policy. The Center is the beneficiary of the fund and has not granted variance power to CFF.

CFI Manages and maintains the Center's investment as a component fund of CFI and reports fair value primarily based on quoted market prices. As the beneficiary, Christian Service Center for Central Florida, Inc. cannot determine the value reported by CFI, which is a Level 3 unobservable input.

The Beneficial Interest, as valued by CFF, is \$47,327 and \$41,360 on December 31, 2021, and December 31, 2020, respectively.

CHRISTIAN SERVICE CENTER FOR CENTRAL FLORIDA, INC.
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NOTE 4 – LINE OF CREDIT

The Center established a line of credit with a bank in the maximum amount of \$100,000, terminating in April 2023. The line of credit bears interest at prime rate plus one percent with a minimum of 5.25 percent. The line of credit is cross collateralized with the property described in Note 5 and by substantially all equipment and other assets. The outstanding balance on this line of credit was \$0 and \$0 December 31, 2021 and 2020, respectively.

NOTE 5 – MORTGAGE NOTE PAYABLE

In 2017, a mortgage note balance was refinanced by a mortgage in the amount of \$240,000. The mortgage note is due on demand and matures September 2022, with a balloon payment. The mortgage note bears interest at 5.25 percent and is secured by property (and any related rents) at 808 W. Central Boulevard in Orlando, Florida. The property was acquired in 1986 and has a depreciated cost of \$210,010 at December 31, 2020. The monthly note payment is \$1,630, including interest. The entire remaining balance is due September 2022.

Subsequent to year end a new mortgage agreement was executed at 4.5% interest with payments of interest and principal of \$2,131 through May 2027.

In addition, the Center has several business credit cards issued by a local bank with a \$25,000 line of credit. The credit cards have outstanding balances of approximately \$14,000 and \$10,000 at December 31, 2021 and 2020, respectively. The line is unsecured and requires monthly minimum payments and has an 13.9% interest rate.

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

Restrictions on net assets at December 31, are as follow:

	2021	2020
Program use restrictions:		
Daily Bread	\$ 64,432	\$ 149,594
Love Pantry	-	4,180
Family Emergency Services, including Love Orlando, Operation Home Fires, and Life Center	139,383	228,303
	\$ 203,815	\$ 382,077

CHRISTIAN SERVICE CENTER FOR CENTRAL FLORIDA, INC.
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NOTE 7 – ESTIMATED IN-KIND CONTRIBUTIONS

The financial statements include the estimated value of in-kind contributions (as support and program expenses) received during the year, as follows:

	<u>2021</u>	<u>2020</u>
Approximate number of meals (all programs)	<u>121,304</u>	<u>100,523</u>
Estimated value of meals	<u>\$ 313,529</u>	<u>\$ 512,115</u>
Estimated value of clothing and personal articles	<u>\$ 43,486</u>	<u>\$ 14,145</u>
Estimated value of property and equipment	<u>\$ 21,000</u>	<u>\$ 20,150</u>

In 2021, there was approximately 7,900 volunteer hours performed for the benefit of the Center.

NOTE 8 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Center manages its liquid resources by focusing on maximizing its revenues where possible so that it has adequate revenue to cover the programs being conducted. The center prepares detailed budgets and is very active in managing its expenses and cash flows to maximize liquidity. As discussed in note four, the agency maintains a line of credit to assist in meeting cash needs if they experience a lag between the receipt of contributions and grants and the payment.

The following reflects the Center's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions and board designations within one year of the balance sheet date.

	<u>2021</u>	<u>2020</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 967,610	\$ 789,928
Contributions and other receivables	<u>173,319</u>	<u>23,720</u>
Total financial assets at year end	<u>1,140,929</u>	<u>813,648</u>
Less those unavailable for general expenditures within one year, due to:		
Donor restricted for various programs	203,815	382,077
Designated for Center improvement/replacement	500,000	100,000
Designated for operating cash flow	126,139	300,000
Accounts payable and other current liabilities	23,636	32,379
Mortgage payable - short term portion	<u>8,410</u>	<u>8,410</u>
Total financial unavailable for use	<u>862,000</u>	<u>822,866</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 278,929</u>	<u>\$ (9,218)</u>

CHRISTIAN SERVICE CENTER FOR CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
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NOTE 9 – CONTINGENCIES

In the normal course of operations, the Center participates in various grant programs. The grant programs are often subject to additional audits by agents of the granting agency, the purpose of which is to ensure compliance with the specific conditions of the grant. An additional liability for reimbursement which may arise as a result of these potential audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

In the ordinary course of business, the Center may have various outstanding commitments and contingencies. Management has represented that there are no legal issues or proceedings pending or threatened at the current time which may materially affect the financial condition of the Agency.

NOTE 10 – PAYCHECK PROTECTION PROGRAM

During 2020 the Center obtained a loan of \$ 147,700 from the Small Business Administration (SBA) as part of the *Coronavirus Aid, Relief and Economic Security Act's Paycheck Protection Plan* (PPP) which was used to keep employees on the job. The loan is unsecured, non-recourse, and accrues a nominal interest rate. The Center met certain requirements and the loan was forgiven and recognized as other income in late 2020.

NOTE 11 – CONCENTRATION RISK

The Center's support is received primarily from foundations, businesses, churches and individuals located in the Central Florida area. As a result, the level of continued contributions may be affected by the economy of this region. In the event these entities discontinue and/or modify funding these programs, the Center would have a difficult time achieving current program goals.

The Center maintains cash in demand deposit accounts with two (2) federally insured banks. At times, the balances in these accounts may be in excess of federally insured limits. Balances on deposit in excess of \$250,000 are not subject to federal insurance. On December 31, 2021, total cash and cash equivalents on deposit in excess of the FDIC limit was approximately \$450,000.

NOTE 12 – COVID-19

The global pandemic caused by the Covid-19 virus has had an unprecedented impact on the economy of the United States. Given the unprecedented nature of the virus, the Center is uncertain as to the ultimate effect on its employees, supply chain and extent of operational disruption. The Center is also uncertain as to what impact the virus may have on its clients and the contracts the Center entered into with them. Accordingly, the extent to which the virus impacts the Center's operations will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration and severity of the outbreak, and the effectiveness and administration of the Covid-19 vaccines. Due to these uncertainties, the Center cannot reasonably estimate the impact of the Covid-19 virus on its business, results of operations, financial position and cash flows. Management is closely monitoring developments and will continuously assess the implication on the Center's operations and financial statements.

CHRISTIAN SERVICE CENTER FOR CENTRAL FLORIDA, INC.
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NOTE 13 – PENDING ACCOUNTING PRONOUNCEMENTS

Leases

In February 2016, the Financial Accounting Standards Board issued ASU 2016-02 (Leases (Topic 842)), which requires an entity to recognize a liability and corresponding asset for leases that meet certain criteria. With respect to nonpublic entities, this update is effective for fiscal years, and interim periods within those years, beginning after December 15, 2021, and early adoption is permitted. The effect of this guidance on the financial statements of the Center, if any, has not been determined.